GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2205
ANSWERED ON:29.11.2016
Food Subsidy in Cash
Dubey Shri Nishikant ;Singh Shri Hukum

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has implemented the scheme of providing food subsidy in cash into the bank account of entitled households to enable them to purchase foodgrains from the open market in the country and if so, the details thereof and if not, the reasons therefor;
(b) whether the Direct Benefit Transfer(DBT) regime for delivering subsidies to the targeted populations has so far centered around cooking gas and to some extent on isolated pilot experiments with food subsidy and if so, the details thereof;
(c) whether agricultural subsidies, especially on inputs other than fertilizers, have largely escaped attention in the DBT scheme, and if so, the details thereof and the reasons therefor; and
(d) whether any proper evaluation of the efficacy of these input subsidies has been undertaken, and if so, the details thereof?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)
(a): Yes Sir. Direct Benefit Transfer (DBT) is being implemented on pilot basis in UTs of Chandigarh and Puducherry w.e.f. September 2015 and it has been partially implemented in Dadra & Nagar Haveli from 01.03.2016 as per the 'Cash Transfer of Food Subsidy Rules, 2015', which was notified on 21-08-2015, under the National Food Security Act, 2013. The Rules stipulate that the DBT scheme shall be implemented in identified areas for which there is a written consent of the State Government for implementation of the Scheme. Section (5) of the Rules stipulate that the amount of food subsidy payable to beneficiaries shall be computed by multiplying entitled quantity of foodgrains with difference between 1.25 times applicable Minimum Support Price (MSP) and the Central Issue Price (CIP) or as may be revised from time to time by the Central Government. Since the amount of cash transfer is linked to MSP, per unit cash transfer will increase with the annual increase in MSP.
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(b): State/UT wise coverage of Targeted population of PDS beneficiaries is defined under National Food Security Act (NFSA) 2013. Based on the coverage and rules defined in NFSA, all three UTs have identified entitled beneficiaries under AAY and PHH categories for transferring food subsidies amount into their bank accounts.
(c): As informed by Dept. of Agriculture, Cooperation and Farmers Welfare, the schemes identified for on-boarding of DBT for its beneficiaries amongst others are seed distribution by the dealers to farmers, Machinery and Tools, capacity building, interest subsidy for short-term credit to farmers, crop insurance and agriculture cooperation.
(d): As per the provisions of the 'Cash Transfer of Food Subsidy Rules, 2015', concerned UTs have been suitably instructed to evaluate the effectiveness of the DBT scheme.
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